

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST CROSS TIMBERS ENERGY, LLC, FOR WELLS OPERATED IN RIO
ARRIBA AND LEA COUNTIES, NEW MEXICO.

CASE NO. 16075

PRE-HEARING STATEMENT

Cross Timbers Energy, LLC ("Cross Timbers"), provisionally provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

CROSS TIMBERS ENERGY, LLC

CROSS TIMBERS ENERGY, LLC's
ATTORNEY

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APPLICANT

OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT
BUREAU

APPLICANT'S ATTORNEY

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Energy Minerals and Natural Resources
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STATEMENT OF THE CASE

Applicant Oil Conservation Division Compliance and Enforcement Bureau seeks a compliance order (1) determining operator Cross Timbers Energy, LLC ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

Cross Timbers operates 556 wells in New Mexico. It is working diligently to evaluate and if necessary correct any matter of non-compliance that may be referenced in the Division's Application.

PROPOSED EVIDENCE

<u>OPPONENT:</u> CROSS TIMBERS ENERGY, LLC	<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>WITNESSES:</u>		
Deanna Poindexter, Operations Engineer	15 min.	6
<u>APPLICANT:</u> OIL CONSERVATION DIVISION COMPLIANCE AND ENFORCEMENT BUREAU	<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>WITNESSES:</u>	-	-

PROCEDURAL MATTERS

Cross Timbers will request a continuance while the matter is referred to direct negotiations with the Enforcement Bureau.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for Cross Timbers Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on March 29, 2018:

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